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SWIDLER BERLING

OCT 2 5 2005

Federal Communications Commission
Office of the Secretary

The Washington Harbour 3000 K Street, N.W., Suite 300 Washington, D.C. 20007-5116 Phone 202.424.7500 Fax 202.424.7647 www.swidlaw.com

October 25, 2005

# **VIA COURIER**

Ms. Marlene H. Dortch, Secretary Federal Communications Commission Office of the Secretary c/o Natek, Inc. 236 Massachusetts Avenue, N.E. Suite 110

Washington, DC 20002 Attn: Renee Crittendon DOCKET FILE COPY ORIGINAL

Re:

WC Docket No. 5-4; File No. ITC-T/C-2005-1011-00405 SECOND SUPPLEMENT

In the Matter of the Application of Global Internetworking, Inc. and 20/20 Technologies, Inc., For Grant of Authority Pursuant to Section 214 of the Communications Act of 1934 and Sections 63.04, 16.18 and 63.24 of the Commission's Rules to Complete a Transfer of Control of Authorized International and Domestic Interstate Carrier

Dear Ms. Dortch:

Global Internetworking, Inc. ("Global Internetworking") and 20/20 Technologies, Inc. ("20/20") (collectively, the "Applicants"), hereby respond to informal inquiries from Staff and provide information related to the existing ownership of 20/20.

Currently, 20/20 is a widely held entity which has no majority owner. No foreign entity owns or controls more than 10 percent of 20/20. Specifically, the sole entity that owns 10 percent or more of 20/20 is Computer Network Technology Corporation ("CNT") which currently holds approximately 11 percent of the company. Applicants understand that CNT recently became a direct, wholly-owned subsidiary of McDATA Corporation, a widely held company publicly traded on the NASDAQ. Applicants understand that the ownership structure of McDATA was considered by the Commission in connection with the McDATA/CNT transaction (See WC Docket No. 05-41). A copy of the application filed in that matter is provided as Exhibit A. Applicants anticipate that following the proposed transactions, neither CNT, nor any other entity will hold a 10 percent or greater direct or indirect interest in Global Internetworking.

List A B C D E

# SWIDLER BERLING

October 25, 2005 Page 2

Please date stamp and return the extra copy of this letter in the attached self-addressed stamped envelope. If there are any questions regarding this filing, please contact the undersigned counsel.

Respectfully submitted.

Jean L. Kiddoo Edward S. Quill, Jr.

cc: Tracey Wilson (WCB)

Susan O'Connell (IB)

Natalie Martinez (IB)

Joann Ekblaud (IB)

# Exhibit A

WC 05-41
Please Date Stamp And Return

# SWIDLER BERLING

The Washington Harbour 3000 K Street, N.W., Suite 300 Washington, D.C. 20007-5116 Phone 202.424.7500 Fax 202.424.7647 www.swidlaw.com

January 28, 2005

#### VIA COURIER

Marlene H. Dortch, Secretary
Federal Communications Commission
Wireline Competition Bureau – CPD – 214 Appls.
P.O. Box 358145
Pittsburgh, PA 15251-5145

PCC/MELLON

JAN 2 8 2005

Re: Application of Computer Network Technology Corporation and McDATA Corporationn For Section 214 Authority to Transfer Control of an Authorized International Carrier

Dear Ms. Dortch:

On behalf of Computer Network Technology Corporation and McDATA Corporation (collectively "Applicants"), enclosed please find an original and six (6) copies of an application for Section 214 authority to transfer control of domestic and international authorizations from Computer Network Technology Corporation to McDATA Corporation.

Also enclosed is a completed Fee Remittance Form 159 and a check in the amount of \$895.00 which satisfies the filing fee required for this Application.

Pursuant to Section 63.04(b) of the Commission's rules, Applicants submit this filing as a combined international section 214 transfer of control application and domestic section 214 transfer of control application ("Combined Application"). Applicants have filed the Combined Application with the International Bureau through the MyIBFS Filing System.

Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

Ble he Dely

William B. Wilhelm, Jr. Brian McDermott

Counsel for Applicants

Enclosure

# Before the FEDERAL COMMUNICATIONS COMMISSION Washington, D.C. 20554

	1
In the Matter of the Joint Application of	(
Computer Network Technology Corporation	) ) ) File No. ITC-T/C-2005
and	) The No. 110-170-2003
	) WC Docket No. 05
McDATA Corporation	)
Request For Grant of Authority Pursuant to Section 214 of the Communications Act	) ) )
of 1934, as amended, and Sections 63.04 and 63.24	)
of the Commission's Rules to Complete a Transfer of Control of Computer Network Technology	, )
Corporation, an Authorized International and	Ó
Domestic Interstate Carrier	)
	)

#### JOINT APPLICATION

## I. <u>INTRODUCTION</u>

# A. Summary of Transaction

Computer Network Technology Corporation ("CNT") and McDATA Corporation ("McDATA") (collectively, "Applicants"), pursuant to Section 214 of the Communications Act, as amended, 47 U.S.C.A. § 214, and Sections 63.04 and 63.24 of the Commission's rules, 47 C.F.R. §§ 63.04 & 63.24, notify the Commission and respectfully request authority to complete a series of transactions which will result in a transfer of control of Computer Network Technology Corporation.

## B. Application Eligible for Streamlined Processing

Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 and 63.12 of the Commission's Rules, 47 C.F.R. §§ 63.03 & 63.12. With respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions, (1) Applicants and their affiliates (as defined in Section 3(1) of the Communications Act – "Affiliates") combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which are parties to the proposed transactions) and; (3) none of the Applicants or their Affiliates are dominant with respect to any service. With respect to international authority, this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants are foreign carriers, or are affiliated with any foreign carriers and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c), apply.

In support of this Application. Applicants provide the following information:

#### II. THE APPLICANTS

# A. Computer Network Technology Corporation ("CNT")

CNT is a corporation organized under the laws of the state of Minnesota. CNT's address is: Computer Network Technology Corporation, 6000 Nathan Lane North, Minneapolis, Minnesota 55442. CNT is publicly traded on the Nasdaq National Market System under the symbol "CMNT". CNT holds authority to provide global facilities-based and resold services pursuant to authority granted by the Commission in File No. ITC-214-

20030807-0413, effective October 6, 2003. See Public Notice Report No. TEL-00720; DA 03-3128, released October 9, 2003. After the consummation of the transaction, CNT will retain its authorization and will continue to provide services to its customers. Additional information on CNT is available on the company's website at: <a href="http://www.cnt.com">http://www.cnt.com</a> and is incorporated herein by reference.

#### B. McDATA Corporation ("McDATA")

McDATA is a Delaware corporation with principal offices located at 380 Interlocken Crescent, Bloomfield, Colorado 80021. McDATA is publicly traded on the Nasdaq National Market System. McDATA's Class A common shares are traded under the symbol "MCDTA" and its Class B common shares are traded under the symbol "MCDT". Neither McDATA nor any of its subsidiaries currently have any licenses relating to the provision of telecommunications services. McDATA's revenue from the twelve months ending January 31, 2004 was \$418.9 million and for the quarter ending October 31, 2005 was \$98.5 million. Attached as Exhibit B are the most recent 10-K and 10-Q of McDATA that demonstrate that McDATA is financially qualified to acquire control of CNT. Also attached as Exhibit C are the management biographies of McDATA's key operational personal that demonstrate McDATA's managerial qualifications to acquire control of CNT. Additional information on McDATA is available on the company's website at: <a href="http://www.mcdata.com">http://www.mcdata.com</a>.

In order to effect the merger, McDATA has created Condor Acquisition, Inc. ("Condor") as a newly formed wholly owned subsidiary that was established to effect the merger of CNT. Condor is a Minnesota corporation with its principal offices located at 380 Interlocken Crescent, Broomfield, Colorado 80021. Condor is not authorized to provide telecommunication services in any state.

# III. DESCRIPTION OF THE TRANSACTIONS

Applicants have entered into an Agreement and Plan of Merger dated as of January 17, 2005 ("Merger Agreement")<sup>1</sup> through which (1) Condor will be merged with and into CNT whereupon the separate existence of Condor shall cease and CNT will be the surviving corporation ("Surviving Corporation") and (2) outstanding shares of CNT will be converted into the right to receive 1.3 shares of McDATA Class A Common Stock plus cash in lieu of franctional shares and the Surviving Corporation will become a wholly owned subsidiary of McDATA. Upon completion of the transaction, current McDATA and CNT stockholders will own approximately 76% and 24%, respectively, of McDATA. In light of the structure of the proposed Transaction, Applicants seek approval for the transfer of control of CNT to McDATA. Attached as Exhibit A is an illustrative chart describing the proposed Transaction.

Following the consummation of the Transaction, CNT's customers will continue to receive service under the same rates, terms and conditions of service as before. CNT will become a wholly owned subsidiary of McDATA, will continue to operate and provide services to CNT's customers and will retain the assets used in the provisions of those services. As a result, the Transaction will be virtually transparent to CNT's customers in terms of the services they receive.

#### IV. PUBLIC INTEREST STATEMENT

Applicants respectfully submit that the proposed Transaction serves the public interest. In particular, Applicants submit that (1) the Transaction will increase competition in the telecommunications market by reinforcing the status of CNT as a viable competitor and (2) the

Transaction will minimize the disruption of service and be virtually transparent to CNT's customers.

The proposed Transaction is expected to facilitate competition by improving the operational position of both CNT and McDATA. The combination of CNT's and McDATA's complementary products and services will provide customers with the long-term confidence that their strategic requirements for a storage networking infrastructure needed for increased productivity, business continuity and regulatory compliance will be met. Moreover, given that the Transaction will not affect CNT's rates, terms and conditions of services, the Transaction will have no negative effects on customers.

#### V. INFORMATION REQUIRED BY SECTION 63.24(e)

Pursuant to Section 63.24(e)(3) of the Commission's rules, the Applicants submit the following information requested in paragraphs (a) through (d) of Section 63.18, for CNT and McDATA, and also submit the information requested in paragraphs (h) through (p) of Section 63.18 for McDATA:

#### 63.18 (a) Name, address and telephone number of each Applicant:

#### Transferee:

McDATA Corporation ("McDATA") 380 Interlocken Crescent Bloomfield, Colorado 80021 (720) 558-8000 (Tel)

#### Licensee:

Computer Network Technology Corporation ("CNT") 6000 Nathan Lane North Minneapolis, MN 55442 (763) 268-6000 (Tel)

Licensee is a publicly traded company so no individual Transferor exists.

A copy of the Merger Agreement will be provided upon request.

# 63.18 (b) Jurisdiction of Organizations:

Transferee:

McDATA is a corporation organized and existing under the laws of the State of Delaware.

#### Licensees:

CNT is a corporation organized and existing under the laws of the State of Minnesota.

#### 63.18 (c) Correspondence concerning this Application should be sent to:

William B. Wilhelm, Jr.
Brian McDermott
Swidler Berlin LLP
3000 K Street NW
Suite 300
Washington, DC 20007
(202) 424-7500 (Tel)
(202) 424-7645 (Fax)
WBWilhelm@swidlaw.com (E-Mail)
BMMcDermott@swidlaw.com (E-Mail)

63.18 (d) Neither McDATA nor any of its subsidiaries have any licenses relating to the provision of telecommunications services.

CNT is authorized to provide facilities-based and resold international services pursuant to Section 214 authority granted in FCC File No. ITC-214-20030807-0413. CNT also holds blanket domestic Section 214 authority.

63.18 (h) McDATA is publicly traded on the Nasdaq National Market System.

McDATA's Class A common shares are traded under the symbol "MCDTA" and its Class B common shares are traded under the symbol "MCDT".

Following the transactions, to the best of McDATA's knowledge no person or entities will directly or indirectly own ten percent (10%) or more of the equity of McDATA. As a result, McData following the proposed Transaction will be the only entity that directly or indirectly owns or controls more than 10% of CNT.

To the best of McDATA's knowledge, there are no officers or directors of McDATA that also serve as an officer or director of a foreign carrier as defined in Section 63.09(d).

63.18 (i) McDATA certifies that it is not a foreign carrier, nor is it affiliated with a foreign carrier, nor will McDATA be affiliated with a foreign carrier as a result

of this transaction.

- 63.18 (j) McDATA certifies that it does not seek to provide international telecommunications services to any destination country where:
  - (1) McDATA is a foreign carrier in that country; or
  - (2) McDATA controls a foreign carrier in that country; or
  - (3) Any entity that owns more than 25 percent of McDATA, controls a foreign carrier in that country; or
  - (4) Two or more foreign carriers (or parties that control foreign carriers) own, in the aggregate more than 25 percent of McDATA and are parties to, or the beneficiaries of, a contractual relation affecting the provision or marketing or international basic telecommunications services in the United States.
- 63.18 (k) Not applicable.
- 63.18 (I) Not applicable.
- 63.18 (m) Not applicable.
- 63.18 (n) McDATA certifies that it has not agreed to accept special concessions directly or indirectly from any foreign carrier with respect to any U.S. international route where the foreign carrier possesses market power on the foreign end of the route and will not enter into such agreements in the future.
- 63.18 (o) Applicants certify that they are not subject to denial of federal benefits pursuant to Section 5301 of the Anti-Drug Abuse Act of 1998. See 21 U.S.C. § 853a. See also 47 C.F.R. §§ 1.2001-1,2003.
- 63.18 (p) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Section 63.12(a)-(b) of the Commission's Rules, 47 C.F.R. §63.12(a)-(b). In particular, Section 63.12(c)(1) is inapplicable because none of the Applicants are or are affiliated with any foreign carriers and none of the scenarios outlined in Section 63.12(c) of the Commission's Rules, 47 C.F.R. § 63.12(c), apply.

### VI. INFORMATION REQUIRED BY SECTION 63.04

In lieu of an attachment, pursuant to Commission rule 63.04(b), 47 C.F.R. § 63.04(b) Applicants submit the following information in support of their request for domestic Section 214 authority in order to address the requirements set forth in Commission Rule 63.04(a)(6)-(12):

- (a)(6) A description of the proposed Transactions is set forth in Section III above.
- (a)(7) CNT provides interstate domestic telecommunications services throughout the United States. CNT also offers intrastate telecommunications services in Alabama, Arizona, Colorado, Connecticut, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, West Virginia, Wisconsin, Wyoming and the District of Columbia. CNT has pending request for intrastate authorization in Alaska, Arkansas, California, Georgia, Maine, Pennsylvania and Virginia.

McDATA does not provide telecommunications services in any area.

Neither McDATA nor CNT is affiliated, as that term is defined in Section 3(1) of the Communications Act of 1934, as amended, with any other U.S. domestic common carrier not listed above.

- (a)(8) Applicants respectfully submit that this Application is eligible for streamlined processing pursuant to Sections 63.03 of the Commission's Rules, 47 C.F.R. §63.03. In particular, with respect to domestic authority, this Application is eligible for streamlined processing pursuant to Section 63.03(b)(2)(i) because, immediately following the transactions, (1) Applicants and their affiliates (as defined in Section 3(1) of the Communications Act "Affiliates") combined will hold less than a ten percent (10%) share of the interstate, interexchange market; (2) Applicants and their Affiliates will provide local exchange service only in areas served by dominant local exchange carriers (none of which are parties to the proposed transactions) and; (3) none of the Applicants or their Affiliates are dominant with respect to any service.
- (a)(9) Through this Application, Applicants seek authority with respect to both international and domestic Section 214 authorizations (this Application is being separately and concurrently filed with respect to both types of authorities in compliance with Commission Rule 63.04(b), 47 C.F.R. § 63.04(b)). No other applications are being filed with the Commission with respect to this transaction.
- (a)(10) Prompt completion of the proposed transactions is critical to ensuring that Applicants can obtain the benefits described in the foregoing application. Accordingly, Applicants respectfully request that the Commission approve this Application expeditiously in order to allow Applicants to consummate the proposed transactions as soon as possible.
- (a)(11) Not applicable.

(a)(12) A statement showing how grant of the application will serve the public interest, convenience and necessity is provided in Section IV above.

#### VII. CONCLUSION

For the reasons stated above, Applicants respectfully submit that the public interest, convenience, and necessity would be furthered by a grant of this Application. Indeed, failure to grant it would directly harm the public interest. In light of the exigent circumstances and, in particular the need to ensure continuity of service to existing customers, Applicants respectfully request expedited treatment to permit Applicants to consummate the proposed Transactions as soon as possible.

Respectfully submitted,

Bv

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January 28, 2005

COUNSEL FOR APPLICATION